

ABOUT THE AWARDS

The 2005 PISCES Awards recognize states that have been the most innovative and effective at advancing EPA's goals of performance and protection through the Clean Water State Revolving Fund program. The CWSRF PISCES Award is given to one state from each of the ten U.S. EPA Regions.

The states were nominated by the Regional offices, which submitted nomination applications based on several criteria. First, each nominee had to have a pace level greater than 80% and audits that had revealed no serious programmatic or financial problems with the program. Each nominee also had to demonstrate outstanding performance for at least two out of nine additional criteria: better management practices, full-cost pricing, efficient water use, watershed approach, promotion of creative use of technologies, leveraging practices, innovative partnerships, innovative lending practices, and whether the noted performance could be replicated by others.

These ten states serve as excellent examples of performance, integrity, and creativity in the CWSRF program. Winners will be recognized at the national meeting of the Council for Infrastructure Finance Authorities (CIFA) in Chicago, IL in October 2005.

- The winners of the 2005 CWSRF PISCES Awards are:
- Region 1 – Maine
 - Region 2 – New York
 - Region 3 – Delaware
 - Region 4 – Florida
 - Region 5 – Ohio
 - Region 6 – Oklahoma
 - Region 7 – Kansas
 - Region 8 – Montana
 - Region 9 – California
 - Region 10 – Oregon

Short descriptions of each state's programs follow.



2005 WINNERS

REGION 1: MAINE

The Maine Department of Environmental Protection and the Maine Municipal Bond Bank are leaders in promoting innovative lending practices. They partner with other state agencies to provide funding to private individuals and businesses not typically eligible for the CWSRF program. For example, Maine's CWSRF program has set aside \$2 million for private septic repair and replacement loans, which are handled by the Maine State Housing Authority. Maine's CWSRF program also gives farmers access to 2% loans for the construction of manure storage facilities under a partnership with the Finance Authority of Maine and the Maine Department of Agriculture. Maine is also a leader in using creative financial approaches. For example, in 2003, it refinanced \$36 million in loans and leveraged the money that was freed up, resulting over \$20 million of additional available funding.

REGION 2: NEW YORK

The New York State Environmental Facilities Corporation has shown significant creativity in its lending and leveraging practices. New York's CWSRF program leads the country in funding non-point source projects, with over \$688 million in loans made through 2004. This year, New York also pioneered a new leveraging technique, which allowed it to sell subordinated SRF bonds without a reserve fund pledge; this resulted in a CWSRF loan interest rate of only 1.94%.

REGION 3: DELAWARE

Delaware's Department of Natural Resources and Environmental Control (DNREC) has excelled at creating innovative partnerships to help maximize the effectiveness and the reach of its CWSRF loans. It works closely with federal funding agencies (RUS, HUD) and the state congressional delegation to provide an appropriate package of loan and grant funds to projects and to streamline project review and management processes. Delaware's CWSRF program also works closely with the local conservation districts and agricultural integrators to market and implement agricultural best management practices. In addition, it works with other DNREC offices to promote

the use of their CWSRF loans to implement non-point source projects, including loans for the rehabilitation of failing on-site systems.

REGION 4: FLORIDA

The Florida Department of Environmental Protection aggressively promotes more efficient water use. To date, it has funded 83 projects totaling over \$260 million for water reuse projects. For example, the CWSRF-financed Holloway Tree Farm irrigation system has not drawn one single drop of water from any surface, ground or aquifer sources and has no agricultural wastewater runoff to the surrounding environment since 1998. The system has conserved over 100 million gallons of water without compromising plant growth. Florida's CWSRF program also held a two-day workshop for municipal agencies in June 2005 on asset management practices.

REGION 5: OHIO

With \$3 billion in loans, the State of Ohio is cited as a leader in financing non-traditional projects. Ohio's Environmental Protection Agency and Water Development Authority's latest innovation is its Water Resource Restoration Sponsor Program (WRRSP). WRRSP offers communities an interest rate reduction on their point source loan if they agree to sponsor a non-point source project. To date, WRRSP has made over \$67 million worth of loans for projects that have acquired wetlands, riparian lands, and conservation easements, restored habitat, and modified dams. WRRSP helps ensure that the proposed projects result in the protection or restoration of valuable watershed resources. This program has already been replicated in Indiana.

REGION 6: OKLAHOMA

The Oklahoma Water Resources Board (OWRB) is considered a CWSRF leader due to its watershed approach to lending. In 2001, the OWRB adopted the Integrated Priority Ranking System, which ranks projects for funding based on the goals of the Clean Water Act and the State's Unified Watershed Assessment to eliminate human health threats, restore impaired surface waters,



2005 WINNERS

and protect high quality waters and their uses. It has adopted a targeted effort to identify high priority projects and contacts communities within targeted watersheds or that are in violation of NPDES discharge permits.

REGION 7: KANSAS

In Kansas, the Department of Health and Environment seeks to encourage the creative use of technologies through its CWSRF program. KDHE has encouraged the development and use of new treatment processes and plant designs with the CWSRF in conjunction with the NPDES permitting process. The CWSRF program has also embraced and encouraged the use of state-of-the-art technologies, such as UV disinfection technology, BNR activated sludge designs, long detention lagoons, and non-overflowing lagoons.

REGION 8: MONTANA

Montana's Departments of Environmental Quality and Natural Resources and Conservation are leaders in encouraging the use of CWSRF funds for non-point source projects. The Montana CWSRF program has used almost 25 percent of its funding over the past five years, \$23 million, for implementation of the state's Section 319 non-point source management plan. In addition, the Montana Water Pollution Control State Revolving Fund worked with other agencies to develop the *Uniform Application Supplement for Montana Public Facilities Projects*, which provides common forms and checklists for six different financing programs. This helped increase pace from 65 to 100 percent.

REGION 9: CALIFORNIA

In January 2005, the California State Water Resources Control Board (SWRCB) declared sustainability of water and environmental resources one of the core values for its CWSRF program, making it a leader in promoting better management practices through the program. The SWRCB worked with staff from housing, transportation, and resource management agencies and organizations on how to incorporate sustainability into the CWSRF's policy

and future funding decisions. The California SWRCB also manages a state-funded Small Communities Grant program, which it can use to supplement CWSRF loans to small, financially disadvantaged communities that would otherwise be unable to afford the debt service on their wastewater infrastructure projects.

REGION 10: OREGON

The Oregon Department of Environmental Quality's (ODEQ) creative and efficient management have made it a leader in the CWSRF program. First, each SRF loan agreement for Section 212 projects requires borrowers to ensure that customer rates cover their full cost of sewer services. ODEQ also makes efficient water use a priority. It actively promotes the use of wastewater effluent for irrigation and appropriate urban uses. It has also made loans to irrigation districts to support water efficiency. For example, one loan was used to move an irrigation district's water supply out of a stream and into a pipeline, reducing erosion and turbidity in a stream that is habitat for an endangered species. Furthermore, ODEQ is cited for its innovative use of partnerships. It holds monthly "one-stop" meetings with its funding partners where potential borrowers can present their needs. They also work to create the most economical funding packages for communities at these meetings. ODEQ is also completing a Facility Planning guidance document with its partners, which provides consistent project direction to borrowers statewide. In addition, it promotes restoration projects by reducing the loan interest rate when a community agrees to expand its wastewater project loan to include restoration activities.

CWSRF PISCES AWARDS

PERFORMANCE AND INNOVATION IN THE SRF CREATING ENVIRONMENTAL SUCCESS

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